

STATE OF RHODE ISLAND : SUPERIOR COURT
PROVIDENCE, SC. :
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RHODE ISLAND ECONOMIC :
DEVELOPMENT CORPORATION :
:
:
v. : C.A. No. PB12-5616
:
:
WELLS FARGO SECURITIES, LLC; :
BARCLAYS CAPITAL, INC.; FIRST :
SOUTHWEST COMPANY; STARR :
INDEMNITY AND LIABILITY COMPANY; :
CURT SCHILLING; THOMAS :
ZACCAGNINO; RICHARD WESTER; :
JENNIFER MACLEAN; ROBERT I. :
STOLZMAN; ADLER POLLOCK & :
SHEEHAN, P.C.; MOSES AFONSO RYAN :
LTD.; ANTONIO AFONSO, JR.; KEITH :
STOKES; and J. MICHAEL SAUL :

**DEFENDANT CURT SCHILLING'S ANSWER AND AFFIRMATIVE DEFENSES TO
PLAINTIFF'S FIRST AMENDED COMPLAINT**

Defendant, Curt Schilling ("Schilling"), by his attorneys, hereby answers the numbered paragraphs of the First Amended Complaint ("Amended Complaint") submitted by Plaintiff, Rhode Island Economic Development Corporation ("EDC"). In responding to the allegations below, Schilling (i) incorporates into each such response a denial of all allegations contained in the Amended Complaint (including those outside of the knowledge and information of Schilling) to the extent that they assert or suggest any factual allegations that the financial projections dated April 1, 2010 (the "April 1 Projections") and/or other materials provided by 38 Studios, LLC ("38 Studios") to the EDC and its officers and advisors were false and/or misleading in any respect, or to the extent that they assert any allegations contrary to these documents, to which reference is made for a complete and accurate statement of their content; (ii) denies any

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averments in the headings, subheadings, footnotes, and various unnumbered Wherefore clauses of the Amended Complaint; and (iii) in all events intends to respond only as to allegations directed at Schilling individually, and he should not be deemed to be responding to allegations that are directed solely to other defendants (including other officer or director defendants of 38 Studios). Schilling further responds to the specific allegations contained in the Amended Complaint as follows:

Parties

1. To the extent that the allegations contained in Paragraph 1 state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that R.I. Gen. Laws § 42-64-1 speaks for itself, respectfully refers the Court to the statute for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1, and therefore denies the same.

2. To the extent that the allegations contained in Paragraph 2 state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that R.I. Gen. Laws § 42-64-2(h)-(i) speaks for itself, respectfully refers the Court to the statute for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 2, and therefore denies the same.

3. To the extent that the allegations contained in Paragraph 3 state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that R.I. Gen. Laws § 42-64-8 speaks for itself, respectfully refers the Court to the statute for its content, and denies any characterization inconsistent with its terms and (ii) is

otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 3, and therefore denies the same.

4. To the extent that the allegations contained in Paragraph 4 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 4, and therefore denies the same except admits that (i) Wells Fargo acted as placement agent for the EDC in connection with the EDC's issuance of the Bonds in 2010 and (ii) Lamarre represented Wells Fargo in seeking private financing for 38 Studios but denies that Lamarre had responsibilities regarding the EDC's loan to 38 Studios and/or the issuance of the Bonds.

5. To the extent that the allegations contained in Paragraph 5 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 5, and therefore denies the same except admits that Barclays acted as placement agent for the EDC in connection with the EDC's issuance of the Bonds in 2010.

6. To the extent that the allegations contained in Paragraph 6 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 6, and therefore denies the same except admits that First Southwest acted as financial advisor to the EDC in connection with the EDC's issuance of the Bonds.

7. To the extent that the allegations contained in Paragraph 7 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that R.I. Gen. Laws § 27-7-2.4 speaks for itself, respectfully refers the Court to the statute for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 7, and therefore denies the same except admits that Starr is an insurance company that issued a policy of insurance under which 38 Studios (and its subsidiaries) are named insureds.

8. Schilling admits the allegations contained in Paragraph 8.

9. To the extent that the allegations contained in Paragraph 9 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling admits the allegations contained in Paragraph 9.

10. To the extent that the allegations contained in Paragraph 10 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) admits that Ms. MacLean was at one time a resident of Providence, Rhode Island and was also the President and/or Chief Executive Officer of 38 Studios but (ii) denies that this was the case at all times relevant to the Complaint.

11. To the extent that the allegations contained in Paragraph 11 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling admits the allegations contained in Paragraph 11.

12. To the extent that the allegations contained in Paragraph 12 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to

form a belief as to the truth of the allegations contained in Paragraph 12, and therefore denies the same except admits that (i) Adler Pollock is a law firm with an office in Providence, Rhode Island; (ii) Stolzman was an attorney with Adler Pollock; and (iii) Stolzman and Adler Pollock represented the EDC.

13. To the extent that the allegations contained in Paragraph 13 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 13, and therefore denies the same except admits that (i) Moses Afonso is a law firm with an office in Providence, Rhode Island; (ii) Afonso was an attorney with Moses Afonso; (iii) Afonso and Moses Afonso represented the EDC; and (iv) Afonso attended meetings of the EDC Board and provided advice to the EDC Board.

14. To the extent that the allegations contained in Paragraph 14 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 14, and therefore denies the same except admits that Stokes was an officer and employee of the EDC with the title of Executive Director.

15. To the extent that the allegations contained in Paragraph 15 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 15, and therefore denies the same except admits that Saul was an employee of the EDC with the title of Deputy Director.

Key Non-Parties

16. To the extent that the allegations contained in Paragraph 16 state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies that the allegations contained in Paragraph 16 present a fair and complete description of 38 Studios' business, operations, and/or financial condition and (ii) otherwise denies the allegations contained in Paragraph 16 except admits that (a) 38 Studios was organized as a Delaware limited liability company; (b) 38 Studios developed video games; (c) 38 Studios was seeking additional financing or capital; (d) Mercury Project, LLC, 38 Studios Baltimore, LLC, and Precisions Jobs, LLC were subsidiaries of 38 Studios; (e) on June 7, 2012, 38 Studios filed a Chapter 7 Voluntary Petition for bankruptcy in the United States Bankruptcy Court for the District of Delaware and that this proceeding is still pending; and (f) the Rhode Island Superior Court appointed a receiver for certain 38 Studios assets.

17. To the extent that the allegations contained in Paragraph 17 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 17, and therefore denies the same.

18. To the extent that the allegations contained in Paragraph 18 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 18, and therefore denies the same.

19. To the extent that the allegations contained in Paragraph 19 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling admits the allegations contained in Paragraph 19.

20. To the extent that the allegations contained in Paragraph 20 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling admits the allegations contained in Paragraph 20.

Jurisdiction and Venue

21. To the extent that the allegations contained in Paragraph 21 state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that R.I. Gen. Laws §§ 8-2-14, 42-64-9.4, and 9-30-1 speak for themselves, respectfully refers the Court to the statutes for their respective content, and denies any characterization inconsistent with their respective terms, and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 21, and therefore denies the same.

22. To the extent that the allegations contained in Paragraph 21 state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that R.I. Gen. Laws § 9-4-3 speaks for itself, respectfully refers the Court to the statute for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 22, and therefore denies the same.

I. FACTS

A. Overview

23. To the extent that the allegations contained in Paragraph 23 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies the assertion that no members of the EDC Board “were experts in law, lending, video gaming, or economic development” and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the

allegations contained in Paragraph 23, and therefore denies the same except admits that (a) in 2010 the EDC Board considered and approved the issuance of \$75 million in bonds to finance a loan to 38 Studios in the form of conduit financing and (b) 38 Studios provided information to the EDC and its representatives in connection with this transaction.

24. To the extent that the allegations contained in Paragraph 24 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 24, and therefore denies the same except admits that the EDC Board approved the loan and issuance of the Bonds on July 26, 2010.

25. To the extent that the allegations contained in Paragraph 25 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 25 except admits that on June 7, 2012, 38 Studios filed a Chapter 7 Voluntary Petition for bankruptcy in the United States Bankruptcy Court for the District of Delaware and that this proceeding is still pending.

26. To the extent that the allegations contained in Paragraph 26 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 26 except admits that (i) at all times relevant to this Amended Complaint Stokes and Saul were, respectively, the Executive Director and Deputy Director of the EDC; (ii) Wells Fargo and Barclays acted as placement agents for the EDC in connection with the EDC's issuance of the

Bonds; and (iii) the parties listed in Paragraph 26 have been named as Defendants in the EDC's Amended Complaint.

27. To the extent that the allegations contained in Paragraph 27 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that insofar as the allegations contained in Paragraph 27 refer to unidentified documents, those documents speak for themselves, respectfully refers the Court to the documents for their respective content, and denies any characterization inconsistent with their respective terms; (ii) denies the allegations contained in the first sentence of Paragraph 27; and (iii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 27, and therefore denies the same except admits that (a) 38 Studios disclosed the Company's financial projections and financial needs to the EDC's representatives; (b) the EDC and its representatives understood that 38 Studios capital requirements to complete production of Copernicus (not including the launch of Copernicus) were at least \$75 million; (c) the EDC and its representatives understood that the net proceeds to be lent to 38 Studios would be less than \$75 million; and (d) the EDC and its representatives knew that 38 Studios would need funding in addition to the net proceeds of the EDC's loan.

28. To the extent that the allegations contained in Paragraph 28 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies the allegations contained in the first sentence of Paragraph 28 and (ii) is without knowledge or information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 28, and therefore denies the same except admits, on information and belief, that every EDC Board member was fully

aware that the net proceeds 38 Studios would receive from the sale of the Bonds would not be sufficient to fund completion of Copernicus and 38 Studios' relocation to Rhode Island and chose to accept the obvious risks and approve the loan to 38 Studios.

29. To the extent that the allegations contained in Paragraph 29 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) is without knowledge or information sufficient to form a belief as to the truth of "whom the EDC Board relied [upon] to assess 38 Studios' budget and timetable prior to closing," and therefore denies the same and (ii) denies the remainder of the allegations contained in Paragraph 29.

30. To the extent that the allegations contained in Paragraph 30 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 30, and therefore denies the same.

31. To the extent that the allegations contained in Paragraph 31 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 31, and therefore denies the same.

32. To the extent that the allegations contained in Paragraph 32, including subparagraphs a through m, are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies the allegations contained in Paragraph 32, including subparagraphs a through m, to the extent that

they allege that Schilling, 38 Studios, or its officers and directors engaged in any wrongdoing; (ii) denies that he is aware of any wrongdoing by any other Defendant; and (iii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 32, including subparagraphs a through m, and therefore denies the same..

B. Defendants Knew or Should Have Known, But Failed to Inform the EDC Board, That 38 Studios was Destined to Fail According to 38 Studios' Own Financial Projections

33. Schilling denies the allegations contained in Paragraph 33 except admits that on March 6, 2010, then Governor Carcieri attended a fundraiser unrelated to 38 Studios at Schilling's residence in Massachusetts and briefly discussed with Schilling 38 Studios and the possibility of 38 Studios relocating to Rhode Island.

34. To the extent that the allegations contained in Paragraph 34 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies that the allegations contained in Paragraph 34 present a fair and complete description of 38 Studios' business, operations, and/or financial condition and (ii) otherwise denies the allegations contained in Paragraph 34 except admits that (a) in 2010, 38 Studios was developing a massive multiplayer online video game ("MMOG") called Project Copernicus ("Copernicus"); (b) its subsidiary, 38 Studios Baltimore, LLC (d/b/a Big Huge Games) was developing a single-player role-playing game ("RPG") called *Kingdoms of Amalur: Reckoning*; and (c) 38 Studios, LLC maintained its headquarters in Maynard, Massachusetts from 2006 through 2011 when it moved to Providence, Rhode Island.

35. To the extent that the allegations contained in Paragraph 35 are not directed towards Schilling, no responsive pleading is required. To the extent a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 35, and therefore denies the same.

36. To the extent that the allegations contained in Paragraph 36 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 36, and therefore denies the same.

37. To the extent that the allegations contained in Paragraph 37 are not directed towards Schilling, no responsive pleading is required. To the extent that that a response is required, Schilling (i) states that the March 31, 2010 Term Sheet speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) otherwise denies the allegations contained in Paragraph 37 except admits that (a) representatives of 38 Studios, including Schilling, from the outset of discussions with EDC informed Stolzman, Stokes, Saul and others that 38 Studios needed to receive at least the net sum of \$75 million to enable 38 Studios to relocate to Rhode Island and complete production of Project Copernicus (plus an additional \$20 million in financing to launch Copernicus) and (b) Schilling and others at 38 Studios informed Stolzman, Stokes, Saul and others that 38 Studios was looking for additional financing.

38. To the extent that the allegations contained in Paragraph 38 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 38, and therefore denies the same.

39. To the extent that the allegations contained in Paragraph 39 are not directed towards Schilling, no responsive pleading is required. To the extent a response is required

Schilling denies the allegations contained in Paragraph 39 except admits that admits that at some point he learned of the need for a debt service reserve fund.

40. To the extent that the allegations contained in Paragraph 40 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 40, and therefore denies the same.

41. To the extent that the allegations contained in Paragraph 41 are not directed towards Schilling, no responsive pleading is required. To the extent a response is required Schilling (i) states that the “April 1 Projections” document and the Bond documents included in the bond closing binder speak for themselves, respectfully refers the Court to the documents for their respective content, and denies any characterization inconsistent with their respective terms; (ii) denies that he read and understood the “April 1 Projections” “from the outset”; (iii) denies that the “April 1 Projections” include an assumption that 38 Studios would receive net loan proceeds from the EDC of \$75 million; and (iv) is otherwise without knowledge or information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 41, and therefore denies the same except admits (a) that 38 Studios gave the “April 1 Projections” to the EDC’s representatives and (b) the “April 1 Projections” were part of the bond closing binder.

42. To the extent that the allegations contained in Paragraph 42 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that insofar as the allegations quote an unspecified document, the document speaks for itself, respectfully refers the Court to the unspecified document for its content, and

denies any characterization inconsistent with its terms and (ii) otherwise is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 42, and therefore denies the same except admits that Stolzman was present at 38 Studios' Maynard, Massachusetts offices on or about April 2, 2010.

43. To the extent that the allegations contained in Paragraph 43 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 43, and therefore denies the same.

44. To the extent that the allegations contained in Paragraph 44 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 44, and therefore denies the same.

45. To the extent that the allegations contained in Paragraph 45 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that insofar as the allegations cite an April 12, 2010 email and the "Equity PPM," those documents speak for the themselves, respectfully refers the Court to the documents for their respective content, and denies any characterization inconsistent with their respective terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 45, and therefore denies the same except admits that (a) Wells Fargo received the "April 1 Projections"; (b) Wells Fargo prepared the "Equity PPM" on behalf of 38 Studios for the purpose of obtaining additional financing for 38 Studios; and (c) Wells Fargo provided the "Equity PPM" to the EDC's officers and financial and legal advisors.

46. To the extent that the allegations contained in Paragraph 46 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 46, and therefore denies the same except admits, on information and belief, that there was a discussion with the EDC about “grossing up” the amount of the loan to \$85 million, but that the EDC refused to do so.

47. To the extent that the allegations contained in Paragraph 47 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “April 1 Projections” document speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) denies the allegations contained in Paragraph 47 except admits that (a) representatives of 38 Studios, including Schilling, from the outset of discussions informed the EDC’s officers and financial and legal advisors that 38 Studios needed to receive at least the net sum of \$75 million to enable 38 Studios to relocate to Rhode Island and complete production of Project Copernicus (plus an additional \$20 million in financing to launch Copernicus) and (b) Schilling eventually learned that 38 Studios would receive less than \$75M net from the EDC.

48. To the extent that the allegations contained in Paragraph 48 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies the allegations contained in the last sentence of Paragraph 48; (ii) states that the “April 1 Projections” document and the “Equity PPM” speak for themselves, respectfully refers the Court to the documents for their respective content, and denies any characterization inconsistent with their respective terms; and (iii) is

otherwise without knowledge or information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 48, and therefore denies the same.

49. To the extent that the allegations contained in Paragraph 49 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “April 1 Projections” document and “draft Term Sheet” speak for themselves, respectfully refers the Court to the documents for their respective content, and denies any characterization inconsistent with their respective terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 49, and therefore denies the same except admits that 38 Studios provided Wells Fargo with the “April 1 Projections” and “draft Term Sheet.”

50. To the extent that the allegations contained in Paragraph 50 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 50, and therefore denies the same.

51. To the extent that the allegations contained in Paragraph 51 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “draft Term Sheet” and “all subsequent revisions” speaks for themselves, respectfully refers the Court to the documents for their respective content, and denies any characterization inconsistent with their respective terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 51, and therefore denies the same.

52. To the extent that the allegations contained in Paragraph 52 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the

extent that a response is required, Schilling (i) states that the “April 1 Projections” document speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) otherwise denies the allegations contained in Paragraph 52.

53. To the extent that the allegations contained in Paragraph 53 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 53 except admits that the net proceeds of the EDC’s Bond issue as of 2012 were less than \$75 million.

54. To the extent that the allegations contained in Paragraph 54 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “April 1 Projections” document speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) otherwise denies the allegations contained in Paragraph 54.

55. To the extent that the allegations contained in Paragraph 55 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “April 1 Projections” document and the “Equity PPM” speak for themselves, respectfully refers the Court to the documents for their respective content, and denies any characterization inconsistent with their respective terms and (ii) otherwise denies the allegations contained in Paragraph 55 except admits that the “precise amount of net proceeds that 38 Studios would receive from the EDC was not determined until shortly before the Closings.”

56. To the extent that the allegations contained in Paragraph 56 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required,

Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 56, and therefore denies the same.

57. To the extent that the allegations contained in Paragraph 57 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 57, and therefore denies the same.

58. To the extent that the allegations contained in Paragraph 58 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 58, and therefore denies the same.

59. To the extent that the allegations contained in Paragraph 59 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 59, and therefore denies the same.

60. To the extent that the allegations contained in Paragraph 60 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the May 28, 2010 email speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 60, and therefore denies the same.

61. To the extent that the allegations contained in Paragraph 61 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required,

Schilling (i) states that the referenced “lists” speak for themselves, respectfully refers the Court to the documents for their respective content, and denies any characterization inconsistent with their respective terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 61, and therefore denies the same.

62. To the extent that the allegations contained in Paragraph 62 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the referenced May 31, 2010 communication speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 62, and therefore denies the same.

63. To the extent that the allegations contained in Paragraph 63 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the referenced June 4, 2010 communication speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 63, and therefore denies the same.

64. To the extent that the allegations contained in Paragraph 64 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 64, and therefore denies the same.

65. To the extent that the allegations contained in Paragraph 65 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required,

Schilling (i) states that the June 9 “PowerPoint presentation” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 65, and therefore denies the same.

66. To the extent that the allegations contained in Paragraph 66 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the June 9 “PowerPoint presentation” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 66, and therefore denies the same.

67. To the extent that the allegations contained in Paragraph 67 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the June 9 “PowerPoint presentation” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 67, and therefore denies the same.

68. To the extent that the allegations contained in Paragraph 68 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the June 9 “PowerPoint presentation” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 68, and therefore denies the same.

69. To the extent that the allegations contained in Paragraph 69 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 69, and therefore denies the same.

70. To the extent that the allegations contained in Paragraph 70 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 70, and therefore denies the same except admits that the EDC Board knew that 38 Studios would receive net proceeds of less than \$75 million.

71. To the extent that the allegations contained in Paragraph 71 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the referenced email speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 71, and therefore denies the same.

72. To the extent that the allegations contained in Paragraph 72 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling states that insofar as the allegations quote an unspecified document, the document speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 72, and therefore denies the same.

73. To the extent that the allegations contained in Paragraph 73 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that Rhode Island Public Laws 026/029 speaks for itself, respectfully refers the Court to the statute for its content, and denies any characterization inconsistent with its terms and (ii) otherwise denies the allegations contained in Paragraph 73.

74. To the extent that the allegations contained in Paragraph 74 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that Rhode Island Public Laws 026/029 speaks for itself, respectfully refers the Court to the statute for its content, and denies any characterization inconsistent with its terms and (ii) otherwise denies the allegations contained in Paragraph 74.

75. To the extent that the allegations contained in Paragraph 75 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 75, and therefore denies the same except admits that on June 14, 2010 the EDC Board held a public meeting.

76. To the extent that the allegations contained in Paragraph 76 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the June 14, 2010 "PowerPoint presentation" speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to

form a belief as to the truth of the allegations contained in Paragraph 76, and therefore denies the same.

77. To the extent that the allegations contained in Paragraph 77 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the underlying Bond documents speak for themselves, respectfully refers the Court to the documents for their respective content, and denies any characterization inconsistent with their respective terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 77, and therefore denies the same except admits that the Bonds were conduit bonds.

78. To the extent that the allegations contained in Paragraph 78 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 78, and therefore denies the same.

79. To the extent that the allegations contained in Paragraph 79 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies the assertion that “no members of the EDC Board were experts in law, lending, video gaming, or economic development” and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 79, and therefore denies the same.

80. To the extent that the allegations contained in Paragraph 80 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the June 14, 2010 “PowerPoint

presentation” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms; (ii) denies that, as of June 14, 2010, “it was likely that 38 Studios would become insolvent and go out of business in 2012”; and (iii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 80, and therefore denies the same.

81. To the extent that the allegations contained in Paragraph 81 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the June 14, 2010 “PowerPoint presentation” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms; (ii) denies that the 38 Studios’ projections lacked any factual support or were based on false assumptions; and (iii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 81, and therefore denies the same.

82. To the extent that the allegations contained in Paragraph 82 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 82, and therefore denies the same.

83. To the extent that the allegations contained in Paragraph 83 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 83, and therefore denies the same excepts admits that the EDC Board adopted the “Inducement Resolution” on June 14, 2010, which speaks for itself,

respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms.

84. To the extent that the allegations contained in Paragraph 84 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the referenced emails speak for themselves, respectfully refers the Court to the documents for their respective content, and denies any characterization inconsistent with their respective terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 84, and therefore denies the same.

85. To the extent that the allegations contained in Paragraph 85 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the June 17, 2010 email speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 85, and therefore denies the same.

86. To the extent that the allegations contained in Paragraph 86 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the June 21, 2010 email speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 86, and therefore denies the same.

87. To the extent that the allegations contained in Paragraph 87 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required,

Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 87, and therefore denies the same except admits that on June 22, 2010 a meeting was held at the offices of the EDC, which Schilling did not attend.

88. To the extent that the allegations contained in Paragraph 88 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 88, and therefore denies the same except admits that on June 22, 2010 a meeting was held at the offices of the EDC, which Schilling did not attend

89. To the extent that the allegations contained in Paragraph 89 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 89, and therefore denies the same except admits that on June 22, 2010 a meeting was held at the offices of the EDC, which Schilling did not attend.

90. To the extent that the allegations contained in Paragraph 90 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in the first sentence of Paragraph 90, and therefore denies the same and (ii) denies the remainder of the allegations contained in Paragraph 90.

91. To the extent that the allegations contained in Paragraph 91 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the "April 1 Projections" document

speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) otherwise denies the allegations contained in Paragraph 91.

92. To the extent that the allegations contained in Paragraph 92 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the referenced Term Sheet speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) otherwise is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 92, and therefore denies the same.

93. To the extent that the allegations contained in Paragraph 93 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the referenced Term Sheet speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) otherwise denies the allegations contained in Paragraph 93 except admits, on information and belief, that it was clear to all that the net proceeds from the EDC loan would not alone suffice to enable 38 Studios to relocate to Rhode Island and complete production of Copernicus.

94. To the extent that the allegations contained in Paragraph 94 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the referenced Term Sheet and “April 1 Projections” documents speak for themselves, respectfully refers the Court to the documents for their respective content, and denies any characterization inconsistent with their respective terms and (ii) otherwise denies the allegations contained in Paragraph 94 except admits, on information

and belief, that it was clear to all that the net proceeds from the EDC loan would not alone suffice to enable 38 Studios to relocate to Rhode Island and complete production of Copernicus.

95. To the extent that the allegations contained in Paragraph 95 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the referenced Term Sheet and July 1, 2010 email speak for themselves, respectfully refers the Court to the documents for their respective content, and denies any characterization inconsistent with their respective terms; (ii) denies that the “April 1 Projections” were false; and (iii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 95, and therefore denies the same.

96. To the extent that the allegations contained in Paragraph 96 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 96, and therefore denies the same.

97. To the extent that the allegations contained in Paragraph 97 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the Term Sheet speaks for itself, respectfully refers the Court to the document its content, and denies any characterization inconsistent with its terms; (ii) denies that there was “inevitable shortfall”; and (iii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 97, and therefore denies the same except admits that EDC Board met on July 15, 2010 to consider the “38 Studios deal.”

98. To the extent that the allegations contained in Paragraph 98 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the Term Sheet and any referenced “versions” speak for themselves, respectfully refers the Court to the documents for their respective content, and denies any characterization inconsistent with their respective terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 98, and therefore denies the same.

99. To the extent that the allegations contained in Paragraph 99 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 99, and therefore denies the same.

100. To the extent that the allegations contained in Paragraph 100 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the July 22, 2010 email and R. I. Gen. Laws § 42-62-10 speak for themselves, respectfully refers the Court to the document and statute for their respective content, and denies any characterization inconsistent with their respective terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 100, and therefore denies the same.

101. To the extent that the allegations contained in Paragraph 101 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to

form a belief as to the truth of the allegations contained in Paragraph 101, and therefore denies the same.

102. To the extent that the allegations contained in Paragraph 102 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 102, and therefore denies the same.

103. To the extent that the allegations contained in Paragraph 103 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 103.

104. To the extent that the allegations contained in Paragraph 104 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 104.

105. To the extent that the allegations contained in Paragraph 105 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 105, and therefore denies the same.

106. To the extent that the allegations contained in Paragraph 106 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “Authorizing Resolution” and the Term Sheet speak for themselves, respectfully refers the Court to the documents for their respective content, and denies any characterization inconsistent with their respective terms; (ii)

denies the allegations contained in the last sentence of Paragraph 106; (iii) denies that the Term Sheet contained any false representations; and (iv) is otherwise without knowledge or information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 106, and therefore denies the same.

107. To the extent that the allegations contained in Paragraph 107 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “Authorizing Resolution” and the Term Sheet speak for themselves, respectfully refers the Court to the documents for their respective content, and denies any characterization inconsistent with their terms and (ii) denies the allegations contained in Paragraph 107 except admits that (a) he was in attendance at the July 26, 2010 EDC Board meeting and (b) the EDC Board adopted the “Authorizing Resolution” at the July 26, 2010 EDC Board meeting.

108. To the extent that the allegations contained in Paragraph 108 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 108.

109. To the extent that the allegations contained in Paragraph 109 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “Authorizing Resolution” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) otherwise denies the allegations contained in Paragraph 109 except admits that the EDC Board adopted the “Authorizing Resolution” at the July 26, 2010 EDC Board meeting.

110. To the extent that the allegations contained in Paragraph 110 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “Authorizing Resolution” and the “Term Sheet” speak for themselves, respectfully refers the Court to the documents for their respective content, and denies any characterization inconsistent with their respective terms and (ii) otherwise denies the allegations contained in Paragraph 110.

111. To the extent that the allegations contained in Paragraph 111 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the Term Sheet speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms, and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 111, and therefore denies the same except admits that (a) 38 Studios had retained Wells Fargo to assist 38 Studios in obtaining additional private equity financing and (b) Wells Fargo later became a placement agent for the Bonds.

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112. To the extent that the allegations contained in Paragraph 112 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “press release” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 112, and therefore denies the same.

113. To the extent that the allegations contained in Paragraph 113 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “Private Placement Memorandum” and “Term Sheet” speak for themselves, respectfully refers the Court to the documents for their respective content, and denies any characterization inconsistent with their respective terms and (ii) otherwise denies the allegations contained in Paragraph 113.

114. To the extent that the allegations contained in Paragraph 114 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 114, and therefore denies the same.

115. To the extent that the allegations contained in Paragraph 115 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 115, and therefore denies the same.

116. To the extent that the allegations contained in Paragraph 116 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “Equity PPM” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 116, and therefore denies the same except admits that (a) 38 Studios had retained Wells Fargo to assist 38 Studios in obtaining additional private equity financing totaling \$25 million; (b) Wells Fargo prepared the

“Equity PPM”; and (c) Wells Fargo had provided the “Equity PPM” to the EDC’s officers and financial and legal advisors.

117. To the extent that the allegations contained in Paragraph 117 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “Equity PPM” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) otherwise denies the allegations contained in Paragraph 117.

118. To the extent that the allegations contained in Paragraph 118 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “Equity PPM” and the “Bond PPM” speak for themselves, respectfully refers the Court to the documents for their respective content, and denies any characterization inconsistent with their respective terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 118, and therefore denies the same.

119. To the extent that the allegations contained in Paragraph 119 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 119, and therefore denies the same.

120. To the extent that the allegations contained in Paragraph 120 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “Bond PPM” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms, and (ii) is otherwise without knowledge or information sufficient to

form a belief as to the truth of the allegations contained in Paragraph 120, and therefore denies the same.

121. To the extent that the allegations contained in Paragraph 121 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 121, and therefore denies the same except admits that Standard & Poor's and Moody's Investor Services provided credit ratings for the Bonds.

122. To the extent that the allegations contained in Paragraph 122 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the document "38 Studios Six Year Financial Plan to Moody's.doc - Confidential." speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 122, and therefore denies the same except admits that Wester sent the referenced document to Stolzman.

123. To the extent that the allegations contained in Paragraph 123 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the document "38 Studios Six Year Financial Plan to Moody's.doc - Confidential." speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms; (ii) denies that the referenced document or the "April 1 Projections" contained any false assumptions; and (iii) is otherwise without knowledge or information sufficient to form a belief

as to the truth of the remainder of the allegations contained in Paragraph 123, and therefore denies the same.

124. To the extent that the allegations contained in Paragraph 124 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the document “38 Studios Six Year Financial Plan to Moody’s.doc - Confidential.” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) otherwise denies the allegations contained in Paragraph 124.

125. To the extent that the allegations contained in Paragraph 125 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 125.

126. To the extent that the allegations contained in Paragraph 126 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 126.

127. To the extent that the allegations contained in Paragraph 127 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the October 1, 2010 email speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 127, and therefore denies the same.

128. To the extent that the allegations contained in Paragraph 128 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “draft PowerPoint presentation” speaks for itself, respectfully refers

the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 128, and therefore denies the same.

129. To the extent that the allegations contained in Paragraph 129 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “draft PowerPoint presentation,” and any revisions thereto, speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 129, and therefore denies the same.

130. To the extent that the allegations contained in Paragraph 130 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the October 6, 2010 PowerPoint speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms; (ii) denies that he “acted in concert as [a] joint presenter[] throughout the actual presentation” and/or jointly made misrepresentations to the purchasers of the Bonds in connection with the sale of the Bonds; and (iii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 130, and therefore denies the same except admits that (a) a presentation to prospective investors was made on October 6, 2010 and (b) Schilling was in attendance during the presentation.

131. To the extent that the allegations contained in Paragraph 131 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 131.

132. To the extent that the allegations contained in Paragraph 132 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “BPA” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 132, and therefore denies the same except admits that on October 22, 2010, Wells Fargo, the EDC and 38 Studios executed the BPA.

133. To the extent that the allegations contained in Paragraph 133 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “BPA” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 133, and therefore denies the same except admits that on October 22, 2010, Wells Fargo, the EDC and 38 Studios executed the BPA.

134. To the extent that the allegations contained in Paragraph 134 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “BPA” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 134, and therefore denies

the same except admits that (a) on October 22, 2010, Wells Fargo, the EDC and 38 Studios executed the BPA and (b) Defendant MacLean signed the BPA on behalf of 38 Studios.

135. To the extent that the allegations contained in Paragraph 135 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “BPA” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 135, and therefore denies the same.

136. To the extent that the allegations contained in Paragraph 136 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 136.

137. To the extent that the allegations contained in Paragraph 137 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “BPA” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 137, and therefore denies the same.

138. To the extent that the allegations contained in Paragraph 138 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “Bond PPM” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to

form a belief as to the truth of the allegations contained in Paragraph 138, and therefore denies the same.

139. To the extent that the allegations contained in Paragraph 139 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “BPA” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 139, and therefore denies the same.

140. To the extent that the allegations contained in Paragraph 140, including subparagraphs a through c, are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the October 29, 2010 First Southwest “Engagement Letter” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 140, including subparagraphs a through c, and therefore denies the same.

141. To the extent that the allegations contained in Paragraph 141 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the October 29, 2010 First Southwest “Engagement Letter” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without

knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 141, and therefore denies the same.

142. To the extent that the allegations contained in Paragraph 142 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 142 except admits that (a) the EDC on November 2, 2010 issued the Bonds totaling in the principal amount \$75 million and that the Bonds were sold to investors and (b) Wells Fargo acted as placement agent for the Bonds.

143. To the extent that the allegations contained in Paragraph 143 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “Jobs Creation Guaranty Act” speaks for itself, respectfully refers the Court to the statute for its content, and denies any characterization inconsistent with its terms; (ii) states that the Court has ruled that the EDC does not have a viable claim for alleged damage to its ability to issue bonds; and (iii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 143, and therefore denies the same.

144. To the extent that the allegations contained in Paragraph 144 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 144 except admits that on June 7, 2012, 38 Studios filed a Chapter 7 Voluntary Petition for bankruptcy in the United States Bankruptcy Court for the District of Delaware and that this proceeding is still pending.

D. Allocation of the Bond Proceeds and the Bonds

145. To the extent that the allegations contained in Paragraph 145, including subparagraphs a through f and footnotes 1 and 2, are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent a response is required, Schilling states that the referenced payments are evidenced in the Bond closing documents, which speak for themselves, respectfully refers the Court to the documents for their respective content, and denies any characterization inconsistent with their respective terms.

146. To the extent that the allegations contained in Paragraph 146, including subparagraphs a through c, are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling states that the referenced Bonds are evidenced in the Bond closing documents, which speak for themselves, respectfully refers the Court to the documents for their respective content, and denies any characterization inconsistent with their respective terms.

147. To the extent that the allegations contained in Paragraph 147, including subparagraphs a through d, are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling states that the referenced payments are evidenced in the Bond closing documents, which speak for themselves, respectfully refers the Court to the documents for their respective context, and denies any characterization inconsistent with their respective terms.

E. Wells Fargo Secretly Received \$473,912.19 from 38 Studios

148. To the extent that the allegations contained in Paragraph 148 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the May 20, 2010 “written agreement” speaks for itself, respectfully refers the Court to the document for its content, and denies any

characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 148, and therefore denies the same except admits that (a) Wester signed the May 20, 2010 “written agreement” on behalf of 38 Studios; (b) Wells Fargo prepared “the Equity PPM” on behalf of 38 Studios for the purpose of obtaining additional financing for 38 Studios; and (c) Wells Fargo provided “the Equity PPM” to the EDC’s officers and financial and legal advisors.

149. To the extent that the allegations contained in Paragraph 149, including subparagraphs a through c, are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the May 20, 2010 “written agreement” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 149, and therefore denies the same.

150. To the extent that the allegations contained in Paragraph 150 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the May 20, 2010 “written agreement” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 150, and therefore denies the same.

151. To the extent that the allegations contained in Paragraph 151 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the November 22, 2010 “invoice”

speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 151, and therefore denies the same.

152. To the extent that the allegations contained in Paragraph 152 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 152 except admits that 38 Studios made a wire transfer to Wells Fargo on December 16, 2010.

153. To the extent that the allegations contained in Paragraph 153 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 153, and therefore denies the same.

154. To the extent that the allegations contained in Paragraph 154 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “April 1 Projections” document speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) otherwise denies the allegations contained in Paragraph 154.

155. To the extent that the allegations contained in Paragraph 155 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the October 22, 2010 “Bond Placement Agreement” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 155, and therefore denies

the same except admits that the “Bond Placement Agreement” was entered into on October 22, 2010.

156. To the extent that the allegations contained in Paragraph 156 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the October 22, 2010 “Bond Placement Agreement” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 156, and therefore denies the same.

157. To the extent that the allegations contained in Paragraph 157 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the October 22, 2010 “Bond Placement Agreement” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 157, and therefore denies the same.

158. To the extent that the allegations contained in Paragraph 158 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “Bond PPM” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 158, and therefore denies the same.

159. To the extent that the allegations contained in Paragraph 159 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 159, and therefore denies the same.

F. Defendant Adler Pollock's and Saul's Failure to Disclose to the EDC Board the Negative Opinion of Experts

160. To the extent that the allegations contained in Paragraph 160 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 160, and therefore denies the same.

161. To the extent that the allegations contained in Paragraph 161 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 161, and therefore denies the same.

162. To the extent that the allegations contained in Paragraph 162, including subparagraphs 1 through 9, are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that insofar as the allegations cite Stolzman's June 2, 2010 "notes," the document speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 162, including subparagraphs 1 through 9, and therefore denies the same.

163. To the extent that the allegations contained in Paragraph 163 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the June 10, 2010 Strategy Analytics report speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 163, and therefore denies the same.

164. To the extent that the allegations contained in Paragraph 164, including subparagraphs a through b, are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the June 10, 2010 Strategy Analytics report speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 164, including subparagraphs a through b, and therefore denies the same.

165. To the extent that the allegations contained in Paragraph 165 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the June 10, 2010 Strategy Analytics report speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 165, and therefore denies the same except admits that the EDC Board met on June 14, 2010.

166. To the extent that the allegations contained in Paragraph 166 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required,

Schilling (i) states that the June 14, 2010 Cohen and Gilbert "PowerPoint presentation" speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 166, and therefore denies the same except admits that the EDC Board met on June 14, 2010.

167. To the extent that the allegations contained in Paragraph 167 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 167, and therefore denies the same except admits that the EDC Board met on June 14, 2010.

168. To the extent that the allegations contained in Paragraph 168 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the July 16, 2010 Raimondo email speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 168, and therefore denies the same except admits that Raimondo was a candidate for Rhode Island State Treasurer in July 2010.

169. To the extent that the allegations contained in Paragraph 169 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 169, and therefore denies the same.

G. Defendants Adler Pollock and Stokes Improperly Denied the EDC Board the Opportunity to Reconsider

170. To the extent that the allegations contained in Paragraph 170 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the August 5, 2010 Chafee letter speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 170, and therefore denies the same except admits that throughout the summer of 2010 Lincoln Chafee was a gubernatorial candidate during which time Chafee publicly questioned the 38 Studios transaction.

171. To the extent that the allegations contained in Paragraph 171 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that insofar as the allegations reference a letter from Stokes on August 9, 2010, the document speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 171, and therefore denies the same.

172. To the extent that the allegations contained in Paragraph 172 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that insofar as the allegations quote an unspecified document, the document speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms, and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 172, and therefore denies the same.

173. To the extent that the allegations contained in Paragraph 173 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the referenced agenda speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms, and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 173, and therefore denies the same.

174. To the extent that the allegations contained in Paragraph 174 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the referenced agendas speak for themselves, respectfully refers the Court to the documents for their respective content, and denies any characterization inconsistent with their respective terms, and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 174, and therefore denies the same.

H. Stolzman Did Not Correct the False Legal Opinion That Stokes Gave to the EDC Board to Keep Them from Reconsidering the 38 Studios Transaction

175. To the extent that the allegations contained in Paragraph 175 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 175, and therefore denies the same except admits that in August 2010, Frank Caprio was the Rhode Island Treasurer and a gubernatorial candidate.

176. To the extent that the allegations contained in Paragraph 176 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the August 31, 2010 Stokes email

speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 176, and therefore denies the same.

177. To the extent that the allegations contained in Paragraph 177 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 177, and therefore denies the same.

178. To the extent that the allegations contained in Paragraph 178 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 178, and therefore denies the same.

179. To the extent that the allegations contained in Paragraph 179 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 179, and therefore denies the same.

I. Defendants Failed to Implement the EDC Board's Requirement for Third-Party Assessment and Monitoring

180. To the extent that the allegations contained in Paragraph 180 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the

allegations contained in Paragraph 180, and therefore denies the same except admits that the EDC Board met on July 15, 2010, which Schilling did not attend.

181. To the extent that the allegations contained in Paragraph 181 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 181, and therefore denies the same.

182. To the extent that the allegations contained in Paragraph 182 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 182, and therefore denies the same.

183. To the extent that the allegations contained in Paragraph 183 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “July 22, 2010 confidential memorandum” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 183, and therefore denies the same.

184. To the extent that the allegations contained in Paragraph 184 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “July 22, 2010 confidential memorandum” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to

form a belief as to the truth of the allegations contained in Paragraph 184, and therefore denies the same.

185. To the extent that the allegations contained in Paragraph 185 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the revised "Term Sheet" speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 185, and therefore denies the same.

186. To the extent that the allegations contained in Paragraph 186 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the revised "Term Sheet" speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 186, and therefore denies the same except admits the EDC Board met on July 15, 2010 and July 26, 2010.

187. To the extent that the allegations contained in Paragraph 187 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the revised "Term Sheet" speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 187, and therefore denies the same.

188. To the extent that the allegations contained in Paragraph 188 are not directed towards Schilling and/or state a legal conclusions, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the revised "Term Sheet" speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 188, and therefore denies the same.

189. To the extent that the allegations contained in Paragraph 189 are not directed towards Schilling, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies that 38 Studios rejected IFG as the third-party monitor and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 189, and therefore denies the same except admits that IBM was 38 Studios' third-party monitor.

190. To the extent that the allegations contained in Paragraph 190 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 190, and therefore denies the same.

191. To the extent that the allegations contained in Paragraph 191 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the IBM Agreement speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to

form a belief as to the truth of the allegations contained in Paragraph 191, and therefore denies the same except admits that IBM entered into an agreement with 38 Studios.

192. To the extent that the allegations contained in Paragraph 192 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that insofar as the allegations cite a document from Stolzman, the document speaks for itself, respectfully refers the Court to the document for its content, and denies any characterizations inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 192, and therefore denies the same.

193. To the extent that the allegations contained in Paragraph 193 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the "Project Monitoring Agreement" speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 193, and therefore denies the same.

194. To the extent that the allegations contained in Paragraph 194 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 194, and therefore denies the same.

J. Defendants Negligently Drafted the Loan and Trust Agreement

195. To the extent that the allegations contained in Paragraph 195 are not directed towards Schilling and/or state a legal conclusions, no responsive pleading is required. To the

extent that a response is required, Schilling (i) states that the “Loan and Trust Agreement” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 195, and therefore denies the same.

196. To the extent that the allegations contained in Paragraph 196 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “Loan and Trust Agreement” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 196, and therefore denies the same.

197. To the extent that the allegations contained in Paragraph 197 are not directed towards Schilling and/or state a legal conclusions, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “Loan and Trust Agreement” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 197, and therefore denies the same.

198. To the extent that the allegations contained in Paragraph 198 are not directed towards Schilling and/or state a legal conclusions, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “Loan and Trust Agreement” speaks for itself, respectfully refers the Court to the document for its content, and denies any

characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 198, and therefore denies the same.

K. Defendants' Concealment of Their Failure to Obtain Meaningful Third-Party Monitoring

199. To the extent that the allegations contained in Paragraph 199 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the "final Bond PPM" and any prior revisions speak for themselves, respectfully refers the Court to the documents for their respective content, and denies any characterization inconsistent with their respective terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 199, and therefore denies the same.

200. To the extent that the allegations contained in Paragraph 200 are not directed towards Schilling and/or state a legal conclusions, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the "Bond PPM" speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 200, and therefore denies the same.

201. To the extent that the allegations contained in Paragraph 201 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 201, and therefore denies the same.

202. To the extent that the allegations contained in Paragraph 202 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “Bond PPM” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 202, and therefore denies the same.

203. To the extent that the allegations contained in Paragraph 203 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “BPA” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 202, and therefore denies the same.

204. To the extent that the allegations contained in Paragraph 204 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “Bond PPM” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 204, and therefore denies the same.

205. To the extent that the allegations contained in Paragraph 205 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the

extent that a response is required, Schilling (i) states that the referenced “opinion” by Afonso and Moses Afonso speaks for itself, respectfully refers the Court to the document for its content, and denies any characterizations inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 205, and therefore denies the same.

206. To the extent that the allegations contained in Paragraph 206 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the referenced “opinion” by Stolzman and Adler Pollock speaks for itself, respectfully refers the Court to the document for its content, and denies any characterizations inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 206, and therefore denies the same.

207. To the extent that the allegations contained in Paragraph 207 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 207, and therefore denies the same except admits that (a) the Closings took place on November 2, 2010 and (b) IBM performed an initial assessment after the Closings.

L. Defendants’ Further Failure to Obtain the IBM Initial Assessment

208. To the extent that the allegations contained in Paragraph 208 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “agreement between 38 Studios and IBM” speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or

information sufficient to form a belief as to the truth of the allegations contained in Paragraph 208, and therefore denies the same except admits that there was an agreement between 38 Studios and IBM.

209. To the extent that the allegations contained in Paragraph 209 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the “agreement between 38 Studios and IBM” dated September 14, 2010 speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 209, and therefore denies the same except admits that there was an agreement between 38 Studios and IBM.

210. To the extent that the allegations contained in Paragraph 210 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 210, and therefore denies the same.

211. To the extent that the allegations contained in Paragraph 211 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 211, and therefore denies the same except admits that (a) the Closings took place on November 2, 2010 and (b) IBM performed an initial assessment after the Closings.

212. To the extent that the allegations contained in Paragraph 212 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that the "Initial Assessment Report" speaks for itself, respectfully refers the Court to the document for its content, and denies any characterization inconsistent with its terms and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 212, and therefore denies the same except admits that IBM performed an initial assessment after the Closings.

COUNT I
(Breach of Fiduciary Duty)

213. Schilling repeats and realleges his responses to Paragraphs 1 through 212, as if fully set forth herein. To the extent that the allegations contained in Paragraph 213 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 213.

214. To the extent that the allegations contained in Paragraph 214 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 214, and therefore denies the same except admits that he understood that the EDC's officers and financial and legal advisors had authority and were acting on behalf of the EDC with respect to the loan to 38 Studios.

215. To the extent that the allegations contained in Paragraph 215, including subparagraphs a through d, are not directed towards Schilling and/or state a legal conclusion, no

responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 215, including subparagraphs a through d.

216. To the extent that the allegations contained in Paragraph 216 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 216, and therefore denies the same.

217. To the extent that the allegations contained in Paragraph 217 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 217.

218. Paragraph 218, including subparagraphs a through m, does not specify the Defendants to which Plaintiffs are referring so it is impossible to answer. Further answering, to the extent that the allegations contained in Paragraph 218, including subparagraphs a through m, are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies the allegations contained in Paragraph 218, including subparagraphs a through m, to the extent that the EDC alleges that he, 38 Studios, or its officers and directors engaged in any wrongdoing and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the remainder of the allegations contained in Paragraph 218, including subparagraphs a through m, and therefore denies the same.

219. To the extent that the allegations contained in Paragraph 219, including subparagraphs a through d, are not directed towards Schilling and/or state a legal conclusion, no

responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 219, including subparagraphs a through d.

To the extent that the EDC's request for relief in the Wherefore Paragraph associated with Count I contains allegations that are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies the allegations contained in the Wherefore Paragraph; (ii) denies that Plaintiff is entitled to the relief sought in the Wherefore Paragraph or any relief whatsoever; and (iii) requests that all claims against him be dismissed in their entirety, and that he may be awarded his reasonable attorney's fees plus interest, costs, and such other and further relief as may be just.

COUNT II
(Breach of Fiduciary Duty - Wells Fargo's Hidden Commissions)

220. Schilling repeats and realleges his responses to Paragraphs 1 through 212, and Paragraph 218, as if fully set forth herein. To the extent that the allegations contained in Paragraph 220 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 220.

221. To the extent that the allegations contained in Paragraph 221 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 221, and therefore denies the same.

222. To the extent that the allegations contained in Paragraph 222, including subparagraphs a through d, are not directed towards Schilling and/or state a legal conclusion, no

responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 222, including subparagraphs a through d.

223. To the extent that the allegations contained in Paragraph 223 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 223, and therefore denies the same.

224. To the extent that the allegations contained in Paragraph 224 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 224.

225. To the extent that the allegations contained in Paragraph 225, including subparagraphs a through d, are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 225, including subparagraphs a through d.

To the extent that the EDC's request for relief in the Wherefore Paragraph associated with Count II contains allegations that are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies the allegations contained in the Wherefore Paragraph; (ii) denies that Plaintiff is entitled to the relief sought in the Wherefore Paragraph or any relief whatsoever; and (iii) requests that all claims against him be dismissed in their entirety, and that he may be awarded his reasonable attorney's fees plus interest, costs, and such other and further relief as may be just.

COUNT III **(Fraud)**

226. Schilling repeats and realleges his responses to Paragraphs 1 through 212, and Paragraphs 218, as if fully set forth herein. To the extent that the allegations contained in

Paragraph 226 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 226.

227. To the extent that the allegations contained in Paragraph 227 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 227.

228. To the extent that the allegations contained in Paragraph 228 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 228, and therefore denies the same.

229. To the extent that the allegations contained in Paragraph 229 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 229.

230. To the extent that the allegations contained in Paragraph 230, including subparagraphs a through d, are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 230, including subparagraphs a through d.

To the extent that the EDC's request for relief in the Wherefore Paragraph associated with Count III contains allegations that are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies the allegations contained in the Wherefore Paragraph; (ii) denies that Plaintiff is entitled to the relief sought in the Wherefore Paragraph or any relief whatsoever; and (iii)

requests that all claims against him be dismissed in their entirety, and that he may be awarded his reasonable attorney's fees plus interest, costs, and such other and further relief as may be just.

COUNT IV
(Fraudulent Misrepresentations and Omissions)

231. Schilling repeats and realleges his responses to Paragraphs 1 through 212, and Paragraphs 218, as if fully set forth herein. To the extent that the allegations contained in Paragraph 231 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 231.

232. To the extent that the allegations contained in Paragraph 232 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 232.

233. To the extent that the allegations contained in Paragraph 233 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 233, and therefore denies the same.

234. To the extent that the allegations contained in Paragraph 234, including subparagraphs a through d, are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 234, including subparagraphs a through d.

To the extent that the EDC's request for relief in the Wherefore Paragraph associated with Count IV contains allegations that are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required,

Schilling (i) denies the allegations contained in the Wherefore Paragraph; (ii) denies that Plaintiff is entitled to the relief sought in the Wherefore Paragraph or any relief whatsoever; and (iii) requests that all claims against him be dismissed in their entirety, and that he may be awarded his reasonable attorney's fees plus interest, costs, and such other and further relief as may be just.

COUNT V
(Negligent Misrepresentation)

235. Schilling repeats and realleges his responses to Paragraphs 1 through 212 as if fully set forth herein. To the extent that the allegations contained in Paragraph 235 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 235.

236. To the extent that the allegations contained in Paragraph 236 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies all allegations that he, 38 Studios, or its officers and directors engaged in any wrongdoing and (ii) is otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 236, and therefore denies the same.

237. To the extent that the allegations contained in Paragraph 237 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 237, and therefore denies the same.

238. To the extent that the allegations contained in Paragraph 238 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 238.

239. To the extent that the allegations contained in Paragraph 239, including subparagraphs a through d, are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 239, including subparagraphs a through d.

To the extent that the EDC's request for relief in the Wherefore Paragraph associated with Count V contains allegations that are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies the allegations contained in the Wherefore Paragraph; (ii) denies that Plaintiff is entitled to the relief sought in the Wherefore Paragraph or any relief whatsoever; and (iii) requests that all claims against him be dismissed in their entirety, and that he may be awarded his reasonable attorney's fees plus interest, costs, and such other and further relief as may be just.

COUNT VI
(Legal Malpractice)

240. Schilling repeats and realleges his responses to Paragraphs 1 through 212 as if fully set forth herein. To the extent that the allegations contained in Paragraph 240 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 240.

241. To the extent that the allegations contained in Paragraph 241 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to

form a belief as to the truth of the allegations contained in Paragraph 241, and therefore denies the same.

242. To the extent that the allegations contained in Paragraph 242 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 242, and therefore denies the same..

243. To the extent that the allegations contained in Paragraph 243 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 243.

244. To the extent that the allegations contained in Paragraph 244, including subparagraphs a through d, are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 244, including subparagraphs a through d.

To the extent that the EDC's request for relief in the Wherefore Paragraph associated with Count VI contains allegations that are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies the allegations contained in the Wherefore Paragraph; (ii) denies that Plaintiff is entitled to the relief sought in the Wherefore Paragraph or any relief whatsoever; and (iii) requests that all claims against him be dismissed in their entirety, and that he may be awarded his reasonable attorney's fees plus interest, costs, and such other and further relief as may be just.

COUNT VII
(Negligence)

245. Schilling repeats and realleges his responses to Paragraphs 1 through 212 as if fully set forth herein. To the extent that the allegations contained in Paragraph 245 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 245.

246. To the extent that the allegations contained in Paragraph 246 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies all allegations that he, 38 Studios, or its officers and directors engaged in any wrongdoing and (ii) otherwise denies the allegations contained in Paragraph 246.

247. To the extent that the allegations contained in Paragraph 247, including subparagraphs a through d, are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 247, including subparagraphs a through d.

To the extent that the EDC's request for relief in the Wherefore Paragraph associated with Count VII contains allegations that are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies the allegations contained in the Wherefore Paragraph; (ii) denies that Plaintiff is entitled to the relief sought in the Wherefore Paragraph or any relief whatsoever; and (iii) requests that all claims against him be dismissed in their entirety, and that he may be awarded his reasonable attorney's fees plus interest, costs, and such other and further relief as may be just.

COUNT VIII
(Breach of Implied Covenant of Good Faith and Fair Dealing)

248. Schilling repeats and realleges his responses to Paragraphs 1 through 212 as if fully set forth herein. To the extent that the allegations contained in Paragraph 248 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 248.

249. To the extent that the allegations contained in Paragraph 249 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 249.

250. To the extent that the allegations contained in Paragraph 250 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 250.

251. To the extent that the allegations contained in Paragraph 250, including subparagraphs a through d, are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 251, including subparagraphs a through d.

To the extent that the EDC's request for relief in the Wherefore Paragraph associated with Count VIII contains allegations that are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies the allegations contained in the Wherefore Paragraph; (ii) denies that Plaintiff is entitled to the relief sought in the Wherefore Paragraph or any relief whatsoever; and (iii) requests that all claims against him be dismissed in their entirety, and that he may be awarded his reasonable attorney's fees plus interest, costs, and such other and further relief as may be just.

COUNT IX
(Damages under R.I. Gen. Laws § 42-64-9.3 (Criminal Penalties Including Damages for Violating R.I. Gen. Laws § 42-64-1 et seq.))

252. Schilling repeats and realleges his responses to Paragraphs 1 through 212, and Paragraphs 218, as if fully set forth herein. To the extent that the allegations contained in Paragraph 252 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 252.

253. To the extent that the allegations contained in Paragraph 253 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 253.

254. To the extent that the allegations in Paragraph 254 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 254.

255. To the extent that the allegations in Paragraph 255 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 255.

256. To the extent that the allegations in Paragraph 256, including subparagraphs a through d, are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 256, including subparagraphs a through d.

To the extent that the EDC's request for relief in the Wherefore Paragraph associated with Count IX contains allegations that are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies the allegations contained in the Wherefore Paragraph; (ii) denies that Plaintiff

is entitled to the relief sought in the Wherefore Paragraph or any relief whatsoever; and (iii) requests that all claims against him be dismissed in their entirety, and that he may be awarded his reasonable attorney's fees plus interest, costs, and such other and further relief as may be just.

COUNT X
(Mandatory Final Injunction Pursuant to EDC Enforcement Powers)

257. Pursuant to the Court's Decision on Defendants' Motions to Dismiss, entered August 28, 2013, Count X has been dismissed and therefore no responsive pleading is required. To the extent that a response is required, Schilling repeats and realleges his responses to Paragraphs 1 through 212, and Paragraph 253, as if fully set forth herein and denies the allegations contained in Paragraph 257.

258. Pursuant to the Court's Decision on Defendants' Motions to Dismiss, entered August 28, 2013, Count X has been dismissed and therefore no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 258.

259. Pursuant to the Court's Decision on Defendants' Motions to Dismiss, entered August 28, 2013, Count X has been dismissed and therefore no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 259.

260. Pursuant to the Court's Decision on Defendants' Motions to Dismiss, entered August 28, 2013, Count X has been dismissed and therefore no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 260.

261. Pursuant to the Court's Decision on Defendants' Motions to Dismiss, entered August 28, 2013, Count X has been dismissed and therefore no responsive pleading is required.

To the extent that a response is required, Schilling denies the allegations contained in Paragraph 261.

262. Pursuant to the Court's Decision on Defendants' Motions to Dismiss, entered August 28, 2013, Count X has been dismissed and therefore no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 262.

263. Pursuant to the Court's Decision on Defendants' Motions to Dismiss, entered August 28, 2013, Count X has been dismissed and therefore no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 263.

Pursuant to the Court's Decision on Defendants' Motions to Dismiss, entered August 28, 2013, Count X has been dismissed and therefore no responsive pleading is required. Further answering, to the extent that the EDC's request for relief in the Wherefore Paragraph associated with Count X contain allegations that are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies the allegations contained in the Wherefore Paragraph; (ii) denies that Plaintiff is entitled to the relief sought in the Wherefore Paragraph or any relief whatsoever; and (iii) requests that all claims against him be dismissed in their entirety, and that he may be awarded his reasonable attorney's fees plus interest, costs, and such other and further relief as may be just.

COUNT XI

(Civil Damages under R.I. Gen. Laws § 9-1-2 Based upon Violations of R.I Gen. Laws §§ 11-18-1, 11-18-6, 11-18-7, 11-18-8, or 11-41-4)

264. Schilling repeats and realleges his responses to Paragraphs 1 through 212, and Paragraph 218, as if fully set forth herein. To the extent that the allegations contained in Paragraph 264 are not directed towards Schilling and/or state a legal conclusion, no responsive

pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 264.

265. To the extent that the allegations in Paragraph 265, including subparagraphs a through f, are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 265, including subparagraphs a through f.

266. To the extent that the allegations in Paragraph 266 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 266.

267. To the extent that the allegations in Paragraph 267 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 267.

268. To the extent that the allegations in Paragraph 268 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 268.

269. To the extent that the allegations in Paragraph 269 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 269.

270. To the extent that the allegations in Paragraph 270, including subparagraphs a through d, are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 270, including subparagraphs a through d.

To the extent that the EDC's request for relief in the Wherefore Paragraph associated with Count XI contains allegations that are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies the allegations contained in the Wherefore Paragraph; (ii) denies that Plaintiff is entitled to the relief sought in the Wherefore Paragraph or any relief whatsoever; and (iii) requests that all claims against him be dismissed in their entirety, and that he may be awarded his reasonable attorney's fees plus interest, costs, and such other and further relief as may be just.

COUNT XII
(R.I. RICO (sub-section (a)))

271. Schilling repeats and realleges his responses to Paragraphs 1 through 212, and Paragraphs 218, as if fully set forth herein. To the extent that the allegations contained in Paragraph 271 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 271.

272. To the extent that the allegations in Paragraph 272 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that R.I. Gen. Laws § 7-15-1 et. seq. speaks for itself, respectfully refers the Court to the statute for its content, and denies any characterization inconsistent with its terms and (ii) otherwise denies the allegations contained in Paragraph 272.

273. To the extent that the allegations in Paragraph 273 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that R.I. Gen. Laws § 7-15-1 et. seq. speaks for itself, respectfully refers the Court to the statute for its content, and denies any characterization inconsistent with its terms and (ii) otherwise denies the allegations contained in Paragraph 273.

274. To the extent that the allegations contained in Paragraph 274 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 274.

275. To the extent that the allegations contained in Paragraph 275 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 275.

276. To the extent that the allegations contained in Paragraph 276 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 276.

277. To the extent that the allegations contained in Paragraph 277 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 277.

278. To the extent that the allegations in contained Paragraph 278 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 278.

279. To the extent that the allegations in Paragraph 279 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 279.

280. To the extent that the allegations contained in Paragraph 280 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 280.

281. To the extent that the allegations contained in Paragraph 281, including subparagraphs a through d, are not directed towards Schilling and/or state a legal conclusion, no

responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 281, including subparagraphs a through d.

To the extent that the EDC's request for relief in the Wherefore Paragraph associated with Count XII contains allegations that are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies the allegations contained in the Wherefore Paragraph; (ii) denies that Plaintiff is entitled to the relief sought in the Wherefore Paragraph or any relief whatsoever; and (iii) requests that all claims against him be dismissed in their entirety, and that he may be awarded his reasonable attorney's fees plus interest, costs, and such other and further relief as may be just.

COUNT XIII
(R.I. RICO (sub-section (c)))

282. Schilling repeats and realleges his responses to Paragraphs 1 through 212, and Paragraph 218, as if fully set forth herein. To the extent that the allegations contained in Paragraph 282 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 282.

283. To the extent that the allegations contained in Paragraph 283 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that R.I. Gen. Laws § 7-15-2(c) speaks for itself, respectfully refers the Court to the statute for its content, and denies any characterization inconsistent with its terms and (ii) otherwise denies the allegations contained in Paragraph 283.

284. To the extent that the allegations contained in Paragraph 284 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) states that R.I. Gen. Laws § 7-15-2(c) speaks for

itself, respectfully refers the Court to the statute for its content, and denies any characterization inconsistent with its terms and (ii) otherwise denies the allegations contained in Paragraph 284.

285. To the extent that the allegations contained in Paragraph 285 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 285.

286. To the extent that the allegations contained in Paragraph 286 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 286.

287. To the extent that the allegations contained in Paragraph 287 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 287.

288. To the extent that the allegations contained in Paragraph 288 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 288.

289. To the extent that the allegations contained in Paragraph 289, including subparagraphs a through d, are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 289, including subparagraphs a through d.

To the extent that the EDC's request for relief in the Wherefore Paragraph associated with Count XIII contains allegations that are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies the allegations contained in the Wherefore Paragraph; (ii) denies that Plaintiff is entitled to the relief sought in the Wherefore Paragraph or any relief whatsoever; and (iii)

requests that all claims against him be dismissed in their entirety, and that he may be awarded his reasonable attorney's fees plus interest, costs, and such other and further relief as may be just.

COUNT XIV
(Civil Conspiracy)

290. Schilling repeats and realleges his responses to Paragraphs 1 through 212, and Paragraphs 218, as if fully set forth herein. To the extent that the allegations contained in Paragraph 290 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 290.

291. To the extent that the allegations contained in Paragraph 291 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 291.

292. To the extent that the allegations contained in Paragraph 292 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 292.

293. To the extent that the allegations contained in Paragraph 293 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 293.

294. To the extent that the allegations contained in Paragraph 294, including subparagraphs a through d, are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 294, including subparagraphs a through d.

To the extent that the EDC's request for relief in the Wherefore Paragraph associated with Count XIV contains allegations that are not directed towards Schilling and/or state a legal

conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies the allegations contained in the Wherefore Paragraph; (ii) denies that Plaintiff is entitled to the relief sought in the Wherefore Paragraph or any relief whatsoever; and (iii) requests that all claims against him be dismissed in their entirety, and that he may be awarded his reasonable attorney's fees plus interest, costs, and such other and further relief as may be just.

COUNT XV
(Unjust Enrichment)

295. Schilling repeats and realleges his responses to Paragraphs 1 through 212 as if fully set forth herein. To the extent that the allegations contained in Paragraph 295 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 295.

296. Paragraph 296 does not specify the Defendants to which Plaintiffs are referring so it is impossible to answer. Further answering, to the extent that the allegations contained in Paragraph 296 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 296.

297. Paragraph 297 does not specify the Defendants to which Plaintiffs are referring so it is impossible to answer. Further answering, to the extent that the allegations contained in Paragraph 297 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 297.

298. Paragraph 298 does not specify the Defendants to which Plaintiffs are referring so it is impossible to answer. Further answering, to the extent that the allegations contained in

Paragraph 298 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 298.

To the extent that the EDC's request for relief in the Wherefore Paragraph associated with Count XV contains allegations that are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies the allegations contained in the Wherefore Paragraph; (ii) denies that Plaintiff is entitled to the relief sought in the Wherefore Paragraph or any relief whatsoever; and (iii) requests that all claims against him be dismissed in their entirety, and that he may be awarded his reasonable attorney's fees plus interest, costs, and such other and further relief as may be just.

COUNT XVI
(Declaratory Relief on Liability)

299. Schilling repeats and realleges each and every response set forth in the foregoing Paragraphs as if fully set forth herein. To the extent that the allegations contained in Paragraph 299 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 299.

300. To the extent that the allegations contained in Paragraph 300 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 300 except admits that there "exists an actual and legal controversy between the EDC" and himself.

301. To the extent that the allegations contained in Paragraph 301 are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling denies the allegations contained in Paragraph 301.

To the extent that the EDC's request for relief in the Wherefore Paragraph associated with Count XVI contains allegations that are not directed towards Schilling and/or state a legal conclusion, no responsive pleading is required. To the extent that a response is required, Schilling (i) denies the allegations contained in the Wherefore Paragraph; (ii) denies that Plaintiff is entitled to the relief sought in the Wherefore Paragraph or any relief whatsoever; and (iii) requests that all claims against him be dismissed in their entirety, and that he may be awarded his reasonable attorney's fees plus interest, costs, and such other and further relief as may be just.

AFFIRMATIVE DEFENSES

Without assuming any burden of proof, persuasion or production not otherwise legally assigned to Schilling as to any element of Plaintiff's claims, and reserving the right to amend this Answer to assert any additional defenses when, and if, in the course of its investigation, discovery, preparation for trial, or it otherwise becomes appropriate to assert such defenses, Schilling asserts the following affirmative and other defenses:

First Affirmative Defense

Plaintiff's claims against Schilling fail to allege facts sufficient to state a claim upon which relief may be granted.

Second Affirmative Defense

Plaintiff has failed to plead its claims against Schilling with particularity.

Third Affirmative Defense

Plaintiff's claims against Schilling are barred in whole or in part because Schilling did not make any misstatements or omissions of material fact.

Fourth Affirmative Defense

Plaintiff's claims against Schilling are barred in whole or in part because Plaintiff did not plead, and cannot show, that Schilling knowingly made any false representations or statements to Plaintiff.

Fifth Affirmative Defense

Plaintiff's claims against Schilling are barred in whole or in part because Plaintiff did not plead, and cannot show, that Schilling intended to deceive Plaintiff.

Sixth Affirmative Defense

Plaintiff's claims against Schilling are barred in whole or in part because Plaintiff did not reasonably rely on any alleged untrue or misleading statement regarding 38 Studios' financial condition when authorizing the issuance of the Bonds.

Seventh Affirmative Defense

Plaintiff's claims against Schilling are barred in whole or in part because Plaintiff was fully aware of the financial condition and needs of 38 Studios including the very information Plaintiff alleges was misrepresented prior to authorizing the issuance of the Bonds.

Eighth Affirmative Defense

Plaintiff's claims against Schilling are barred in whole or in part because Plaintiff admits in the First Amended Complaint that Schilling and 38 Studios fully disclosed to Plaintiff's executives, attorneys, and financial advisors 38 Studios' financial conditions and needs and this knowledge is imputed to Plaintiff as a matter of law.

Ninth Affirmative Defense

Plaintiff's claims against Schilling are barred in whole or in part because Plaintiff fully acknowledged in the June 14, 2010 Inducement Resolution that it knew 38 Studios needed "in excess of \$125,000,000" yet the face value of the Bonds would total only \$75,000,000.

Tenth Affirmative Defense

Plaintiff's claims against Schilling are barred in whole or in part because Plaintiff admits in the First Amended Complaint that the EDC Board knew that 38 Studios would receive less than the \$75,000,000 face value of the Bonds from the proceeds of the Bonds sale.

Eleventh Affirmative Defense

Schilling is informed and believes, and on that basis alleges, that Plaintiff is not entitled to any recovery because Plaintiff would have authorized the issuance of the Bonds even with full knowledge of the facts that it now alleges were misrepresented.

Twelfth Affirmative Defense

Plaintiff's claims against Schilling are barred in whole or in part because Plaintiff does not allege that it has suffered a legally cognizable injury.

Thirteenth Affirmative Defense

The EDC's claims are barred in whole or in part because the EDC lacks standing to sue.

Fourteenth Affirmative Defense

Plaintiff's claims against Schilling are barred in whole or in part by laches, equitable estoppel, waiver, or other related equitable doctrines.

Fifteenth Affirmative Defense

Plaintiff's claims against Schilling are barred in whole or in part by the doctrine of unclean hands and inequitable conduct.

Sixteenth Affirmative Defense

The EDC's claims are barred in whole or in part by the economic-loss doctrine and/or rule.

Seventeenth Affirmative Defense

Plaintiff's claims against Schilling are barred in whole or in part by the voluntary-payment doctrine.

Eighteenth Affirmative Defense

The EDC's claims are barred in whole or in part by the applicable statute(s) of limitations.

Nineteenth Affirmative Defense

Plaintiff's claims against Schilling are barred in whole or in part by the doctrine of independent, intervening cause.

Twentieth Affirmative Defense

Plaintiff's claims against Schilling are barred in whole or in part because the alleged damages or other injuries were caused solely by the acts or omissions of the Plaintiff or others over which Schilling had no control.

Twenty-First Affirmative Defense

Plaintiff's claims against Schilling are barred in whole or in part because of the contribution and/or comparative fault and contributory negligence of Plaintiff, current and former members of the EDC Board, including but not limited to Governor Lincoln Chafee, and/or third-party entities or persons.

Twenty-Second Affirmative Defense

Plaintiff's damages, if any, were caused in whole or in part by its own conduct, the conduct of current and former members of the EDC Board, including but not limited to Governor Lincoln Chafee, and/or third-party entities or persons.

Twenty-Third Affirmative Defense

Plaintiff's claims against Schilling are barred in whole or in part by the actions of Plaintiff, current and former members of the EDC Board, including but not limited to Governor Lincoln Chafee, and/or third-party entities or persons, which directly resulted in the financial failure and bankruptcy of 38 Studios.

Twenty-Fourth Affirmative Defense

Plaintiff at all relevant times had a duty to take reasonable action to minimize any damages allegedly sustained as a result of the facts alleged in the First Amended Complaint. Schilling is informed and believes, and on that basis alleges, that Plaintiff failed to comply with that duty by its actions to facilitate the financial failure and bankruptcy of 38 Studios and is therefore barred from recovering any damages that might reasonably have been avoided.

Twenty-Fifth Affirmative Defense

Plaintiff's damages, if any, must be reduced by any collateral sources that have provided or that will provide reimbursement to Plaintiff, in whole or in part, for the damages it seeks, including but not limited to the proceeds of any and all sales of assets belonging to the 38 Studios bankruptcy estate.

Twenty-Sixth Affirmative Defense

The transaction at the heart of the First Amended Complaint was known and accepted by Plaintiff to be high risk. Accordingly, Plaintiff's claims against Schilling are barred by Plaintiff's assumption of risk.

Twenty-Seventh Affirmative Defense

Plaintiff is not entitled to injunctive relief because such relief is not in the public interest and Plaintiff has not made the showings necessary for such relief.

Twenty-Eighth Affirmative Defense

Other parties not named in the First Amended Complaint may be indispensable parties to this action under Rhode Island Rule of Civil Procedure 19.

Twenty-Ninth Affirmative Defense

Schilling adopts by reference any applicable defense pled by any other Defendant not expressly set forth herein.

Thirtieth Affirmative Defense

Schilling hereby gives notice that he intends to rely upon any other defense that may become available or appear during the discovery proceedings in this case, and Schilling hereby reserves his right to amend his Answer to assert such defenses.

Thirty-First Affirmative Defense

Schilling reserves the right to raise any additional defenses, cross-claims, counterclaims, and third-party claims, not asserted herein of which he may become aware through discovery or other investigation, as may be appropriate at a later time.

RELIEF REQUESTED

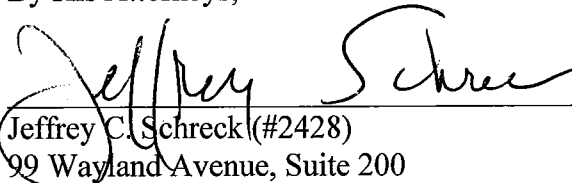
Schilling, denying he is liable to Plaintiff, and denying Plaintiff is entitled to the relief sought in its First Amended Complaint or any relief whatsoever, asks this Court for judgment dismissing the Complaint with prejudice or enter final judgment in favor of Schilling, award Schilling his attorneys' fees and costs, and for such further relief as the Court deems just and proper.

JURY DEMAND

Schilling demands a trial by jury in this case for all issues so triable.

Respectfully submitted,

Defendant, Curt Schilling
By His Attorneys,



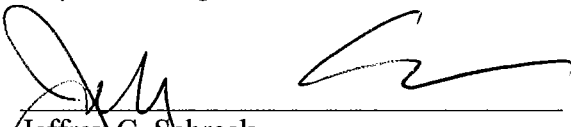
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Dated: September 24, 2013

CERTIFICATE OF SERVICE

I hereby certify that an exact copy of the foregoing document was served upon all counsel of record on this 24th day of September, 2013 by delivering same via U.S. Mail and/or electronic mail to the following individuals:


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